

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* Hartford Township	County* VAN BUREN	Type* TOWNSHIP	MuniCode* 80-1-110
Opinion Date-Use Calendar* Sep 18, 2008	Audit Submitted-Use Calendar* Sep 26, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/> ?	18. Are there reported deficiencies? 19. If so, was it attached to the audit report?

General Fund Revenue:	? \$ 378,791.00
General Fund Expenditure:	? \$ 213,327.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	? \$ 782,985.00
Governmental Activities Long-Term Debt (see instructions):	? \$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* Theresa	Last Name* Steffes	Ten Digit License Number* 1101026910		
CPA Street Address* 424 Western Ave, Suite A	City* Allegan	State* MI	Zip Code* 49010	Telephone* +1 (269) 686-9050
CPA Firm Name* Angle & Steffes, P.C.	Unit's Street Address* 61310 County Road 687	Unit's City* Hartford	Unit's Zip* 49057	

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008**

TOWNSHIP OF HARTFORD

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INDEPENDENT AUDITOR'S REPORT

September 18, 2008

To The Township Board Members of
Hartford Township
Van Buren County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Hartford, Van Buren County, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Hartford, Van Buren County, Michigan management. Our responsibility is to express an opinion on these financial statements based on our audit.

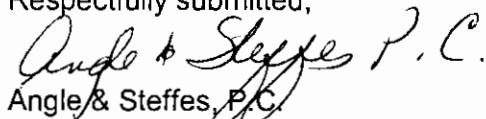
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Hartford as of March 31, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 18, 2008, on our consideration of the Township of Hartford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of an audit.

The management's discussion and analysis and budgetary comparison information on pages 2 through 3 and 18 through 20 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,


Angle & Steffes, P.C.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of Hartford Township as a whole and present a long-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

Hartford Township's financial position has remained stable over the 2007/2008 year. The Township has three major funds: General, Road and Fire Funds. The General Fund supports Township's governmental services as well as supplementing its fire and road projects. The fire millage of .7222 mills supports the fire protection services provided by the Hartford Fire Department. Road projects are funded by a millage of 1.4491 mills, with additional support by the General Fund. New cemetery equipment was purchased in the current year.

Government Wide Statements

	<u>March 31, 2008</u>	<u>unaudited- March 31, 2007</u>
<u>Assets</u>		
Current Assets	\$ 1,034,518	\$ 956,849
Capital Assets	<u>434,633</u>	<u>430,093</u>
Total Assets	1,469,151	1,386,942
<u>Liabilities</u>		
Current Liabilities	<u>108,228</u>	<u>98,391</u>
<u>Net Assets</u>		
Invested in Property & Equipment	434,633	430,093
Restricted for Roads	99,876	95,541
Restricted for Public Safety	14,008	13,799
Restricted for Cemetery Care	29,421	29,066
Unrestricted	<u>782,985</u>	<u>720,052</u>
Total Net Assets	\$ 1,360,923	\$ 1,288,551

General Fund Budgetary Highlights

Hartford Township operates on a conservative basis. Decisions on expenditures are discussed and considered carefully. With this line of operation, the Township total net assets increased in the amount of \$72,372 since March 31, 2007. These assets can be used in future years to meet the commitments and obligations of the Township to its citizens.

New cemetery equipment was added in the current year. A new cemetery truck with dump bed and snowplow was purchased and should reasonably provide services for many years. Also, a lift mechanism for lawn mower adjustment was purchased to ease mowing in the cemetery and maintenance of the machine. Overall, the cemetery equipment has been updated with good, new equipment to provide years of maintenance with minimal cost.

The Hartford Fire Department bought a new fire truck. With the help of a very generous contribution from a local area resident and voted millage, the truck will be paid for this year.

The Township Board has chosen to support local events and has contributed to the Strawberry Festival and the Strawberry Run.

Outlook for the Coming Year

During the last two years, the Township Board has made a commitment to and participated in a planning study for development of the I-94 Industrial Corridor between Exits 41 and 46 along I-94 on the north side. The main purpose is to bring industrial companies to the area to provide jobs and a greater tax base. This is in conjunction with the City of Hartford, the Township of Watervliet, and the City of Watervliet.

The project encompasses four municipalities and the counties of Van Buren and Berrien. As the first of its kind in the State, careful thought has been given to strategies to encourage the best development possible in the area. The Michigan Economic Development Corporation has been very interested from the start in helping with the planning by providing a \$50,000 matching funds grant for planning. The Federal government also provided \$20,000 as matching funds to aid in the process. Utility companies, railroads, MDOT, MDEQ, and marketing agencies have shown positive support for the project. Abonmarche, Inc. was hired by the collection of entities to plan the development study. Public meetings were held to get input from local citizens that was utilized in the formulation of the plan. The municipalities also hired J.F. New and Associates to conduct an environmental study in the area. So far, each municipality has had to spend only \$4,975 to pay their share of the planning.

There have been several inquiries by prospective developers with interest in the area. Information has been provided as requested.

The near future includes assembling an Authority Board to manage the Industrial Corridor. The Authority will be made up of representatives from each of the communities. This will facilitate the development process for prospective companies by providing only one board to deal with instead of four-six.

Funding for the infrastructure has been discussed. The most likely source now is the TIF agreement. This will not cost the local residents any more in taxes and will benefit them greatly with new jobs. As time goes on, the funding may change as more ideas are presented. However, it is important not to attach any more to the taxes of the local people.

The coming year will offer some challenges with new requirements to be met with the I-94 Industrial Corridor but also will offer great rewards when development starts. We are in a very fortunate position to be looking at development with the positive comments and reactions from all involved.

Contacting the Township's Management

To review or assess the Township's financial accountability, copies of the financial report may be obtained by contacting the township officials.

TOWNSHIP OF HARTFORD
GOVERNMENT WIDE STATEMENT OF NET ASSETS
MARCH 31, 2008

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 856,213	\$ 856,213
Investments	0	0
Receivables - net	174,438	174,438
Prepays	3,867	3,867
Capital assets - net	<u>434,633</u>	<u>434,633</u>
 Total Assets	 <u>1,469,151</u>	 <u>1,469,151</u>
LIABILITIES		
Accounts payable	6,216	6,216
Accrued and other liabilities	102,012	102,012
Noncurrent Liabilities		
Due within one year	0	0
Due in more than one year	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>108,228</u>	 <u>108,228</u>
NET ASSETS		
Invested in Capital Assets		
Net of related debt	434,633	434,633
Restricted For		
Streets and highways	99,876	99,876
Public safety	14,008	14,008
Cemetery care	29,421	29,421
Unrestricted	<u>782,985</u>	<u>782,985</u>
 Total Net Assets	 <u>\$ 1,360,923</u>	 <u>\$ 1,360,923</u>

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARTFORD
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
Primary Government						
General government	\$ 168,453	\$ 17,500	\$ 0	\$ 0	\$ (150,953)	\$ 0
Public safety	159,044	10,697	0	0	(148,347)	0
Public works	119,980	0	0	0	(119,980)	0
Community/Economic development	18,728	1,170	2,749	0	(14,809)	0
						(14,809)
Total Governmental Activities	466,205	29,367	2,749	0	(434,089)	0
						(434,089)
Total Primary Government	\$ 466,205	\$ 29,367	\$ 2,749	\$ 0	(434,089)	0
						(434,089)
General Revenues						
Property taxes					229,986	0
State-shared revenues					247,173	0
Unrestricted investment earnings					24,508	0
Rental fees					3,443	0
Miscellaneous					1,351	0
					0	0
Transfers					0	0
						0
Total General Revenues-Special Items and Transfers					506,461	0
						506,461
Change in Net Assets					72,372	0
						72,372
Net Assets-Beginning					1,288,551	0
						1,288,551
Net Assets-Ending					\$ 1,360,923	\$ 0
						\$ 1,360,923

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARTFORD
GOVERNMENTAL FUND BALANCE SHEET
March 31, 2008

	General Fund	Road Fund	Fire Fund	Non-Major Governmental Fund	Total Governmental Fund
ASSETS					
Cash and cash equivalents	\$ 826,792	\$ 0	\$ 0	\$ 29,421	\$ 856,213
Investments	0	0	0	0	0
Receivables - net	46,096	11,872	5,785	0	63,753
Due from other funds	8,673	88,004	0	14,008	110,685
Prepays	3,867	0	0	0	3,867
Total Assets	885,428	99,876	5,785	43,429	1,034,518
LIABILITIES					
Accounts payable	431	0	5,785	0	6,216
Due to other funds	102,012	0	0	0	102,012
Total Liabilities	102,443	0	5,785	0	108,228
FUND BALANCES					
Reserved for					
Road projects	0	99,876	0	0	99,876
Public safety	0	0	0	14,008	14,008
Cemetery care	0	0	0	29,421	29,421
Unreserved	782,985	0	0	0	782,985
Total Fund Balances	\$ 782,985	\$ 99,876	\$ 0	\$ 43,429	\$ 926,290

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

434,633

Net Assets of Governmental Activities

\$ 1,360,923

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARTFORD
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
March 31, 2008

	General Fund	Road Fund	Fire Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes and penalties	\$ 85,857	\$ 96,547	\$ 47,582	\$ 0	\$ 229,986
Licenses and permits	0	0	0	1,054	1,054
State aid	243,277	3,896	0	0	247,173
Contributions from local units	2,749	0	0	0	2,749
Charges for services	18,670	0	0	9,643	28,313
Interest and rentals	27,596	0	0	355	27,951
Other revenue	642	709	0	0	1,351
Total Revenues	378,791	101,152	47,582	11,052	538,577
Expenditures					
Current					
General government	157,355	0	0	0	157,355
Public safety	0	0	127,997	10,489	138,486
Public works	1,047	118,933	0	0	119,980
Health and welfare	0	0	0	0	0
Recreation and cultural	0	0	0	0	0
Community/Economic development	18,727	0	0	0	18,727
Capital outlay	36,198	0	0	0	36,198
Total Expenditures	213,327	118,933	127,997	10,489	470,746
Excess of Revenues Over (Under)					
Expenditures	165,464	(17,781)	(80,415)	563	67,831
Other Financing Sources (Uses)					
Transfers in	0	22,116	80,415	0	102,531
Transfers (out)	(102,531)	0	0	0	(102,531)
Total Other Financing Sources (Uses)	(102,531)	22,116	80,415	0	0
Excess of Revenue and Other Sources Over (Under)					
Expenditures and Other Uses	62,933	4,335	0	563	67,831
Fund Balance-April 1, 2007	720,052	95,541	0	42,866	858,459
Fund Balance-March 31, 2008	\$ 782,985	\$ 99,876	\$ 0	\$ 43,429	\$ 926,290

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF HARTFORD
FIDUCIARY FUNDS-STATEMENT OF NET ASSETS
MARCH 31, 2008

	Agency Fund Type Tax Collection Fund	Agency Fund Type Trust & Agency Fund
ASSETS		
Cash and cash equivalents	\$ 10,108	\$ 60
Due from other funds	\$ 0	\$ 0
Due from other governments	\$ 489	\$ 0
Due from other individuals	\$ 0	\$ 0
	<hr/>	<hr/>
Total Assets	<u>\$ 10,597</u>	<u>\$ 60</u>
LIABILITIES		
Accounts payable	\$ 0	\$ 0
Due to other funds	8,673	0
Due to other governmental units	1,924	60
	<hr/>	<hr/>
Total Liabilities	<u>\$ 10,597</u>	<u>\$ 60</u>

The Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Hartford, Van Buren County, Michigan is a general law Township. The Township operates under an elected Board/Supervisor form of government and provides the following services as authorized by its charter: public safety, highways and street, public improvements, cultural recreation, planning and zoning, and administrative services.

The accounting policies of the Township of Hartford conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road and Fire Funds are Special Revenue Funds of the Township. The Funds are used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specified road and fire purposes.

Additionally, the government reports the following non-major fund types:

The Building Inspection Fund is a Special Revenue Fund of the Township. The Building Inspection Fund is used to account for all resources of the Township's permits and licenses. The two Cemetery Funds are accountable for care of gravesites. These permanent funds allows interest earnings only to be used in the care of sites. The principal cash balance is restricted from other uses.

The Liquor Control fund accounts for resources provided by the State Liquor Commission, spent in accordance with Section 543 of the Liquor Control Code.

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule would be charges between the government's enterprise funds and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Township of Monterey does not have enterprise funds.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Finally, the government reports the following fund types:

The Trust and Agency, and Tax Collection Funds are Fiduciary Funds accountable for assets held by the Township in a trustee or agency capacity for individuals, private organizations, other governments, and/or other funds.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments-Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied each July for State Education Tax, and on each December 1 on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent in the following September and March of the following respective period, at which time penalties and interest are assessed.

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Fire Equipment	07 to 25 years
Vehicles	03 to 05 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

Compensated Absences (Vacation and Sick Leave)-It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements differ from the Governmental fund financial statements only for the effect of the inclusion of capital assets.

Capitalized Asset Costs	\$ 916,399
Less Accumulated Depreciation	<u>(481,766)</u>
Capital Assets, net	434,633
Governmental Fund Balances	<u>926,290</u>
Net Assets of Governmental Activities	<u>\$1,360,923</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.
2. The Township Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Township Board, therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, Roads etc.).
3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds-During the year, the Local Governmental Unit did incur expenditures in budgeted funds which were in excess of the amounts appropriated.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government of federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total Primary Government</u>
Cash and Cash Equivalents	\$ 856,213	\$ 0	\$ 856,213

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (checking and savings accounts, certificates of deposit)	\$ 856,188
Investments in Securities, Mutual Funds and Similar Vehicles	-
Petty Cash and Cash on Hand	<u>25</u>
Total	<u>\$ 856,213</u>

The bank balance of the primary government's deposits is \$856,188, of which \$129,421 is covered by federal depository insurance.

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	Major Funds			Non-Major and Other Funds	Total
	General Fund	Road Fund	Fire Fund		
Taxes receivable	\$ 10,162	\$ 11,872	\$ 5,785	\$ 0	\$ 27,819
State share revenues receivable	35,934	0	0	0	35,934
Due from other funds	8,673	88,004	0	14,008	110,685
Less: allowance for uncollectible	0	0	0	0	0
Net Receivables	<u>\$ 54,769</u>	<u>\$ 99,876</u>	<u>\$ 5,785</u>	<u>\$ 14,008</u>	<u>\$ 174,438</u>

* 2007 Winter tax receivable balances are received from the Van Buren County revolving tax collection fund within 60 days of the fiscal year end.

* State revenue share receivable reflects the constitutional and statutory sales tax for March and April 2008. Provision is according to state guidelines, allowing six revenue payments in the fiscal period.

* Due from other funds is the balance of tax collection activity due the General Fund. Due from other Funds for the Road and Liquor Control represent the monies held in the General Fund checking account for these functions.

NOTE 6 - PENSION PLAN

The Township funds a pension plan through a third party administrator, who assists with investment functions. The Township contributes a percentage of the eligible employee's annual salary to the plan. Employee eligibility is defined in the plan. Pension expense for the March 31, 2008 fiscal year is \$5,800 as reflected in the financial statements.

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 7 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Assets Being Depreciated				
Buildings	219,939	0	0	219,939
Improvements other than buildings	0	0	0	0
Machinery and equipment	139,193	1,180	0	140,373
Vehicles	521,069	35,018	0	556,087
Infrastructure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>880,201</u>	<u>36,198</u>	<u>0</u>	<u>916,399</u>
Less Accumulated Depreciation for				
Buildings	140,020	5,496	0	145,516
Improvements other than buildings	0	0	0	0
Machinery and equipment	69,025	8,454	0	77,479
Vehicles	241,063	17,708	0	258,771
Infrastructure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	<u>450,108</u>	<u>31,658</u>	<u>0</u>	<u>481,766</u>
Net Capital Assets Being Depreciated	<u>430,093</u>	<u>4,540</u>	<u>0</u>	<u>434,633</u>
Governmental Activities Capital Total				
Capital Assets-Net of Depreciation	<u>\$ 430,093</u>	<u>\$ 4,540</u>	<u>\$ 0</u>	<u>\$ 434,633</u>

The Township assets have been evaluated according to GASB 34 guidelines. The Township owns land and cemetery property where historical cost values are unknown. Fire and cemetery equipment and vehicle costs were estimated. Fire assets are co-owned with the City of Hartford. (These assets are recorded 50% of total for this purpose.) A number of assets are fully depreciated, as applicable, with unknown salvage values. The most recent asset acquisitions are recorded and depreciated.

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities

General government	\$ 11,099
Public safety	20,559
Public works	0
Economic development	0
Recreation and culture	<u>0</u>
Total Governmental Activities	<u>\$ 31,658</u>

**TOWNSHIP OF HARTFORD
VAN BUREN COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008**

NOTE 8 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>		<u>Payable Fund</u>	<u>Amount</u>
General	\$ 8,673	Trust & Agency	\$ 0
		Tax Collection	8,673
Road Special Millage	88,004	General	88,004
Liquor Control	14,008	General	14,008
Total	<u>\$ 110,685</u>		<u>\$ 110,685</u>

Receivable account balances: Tax collection balances are due to the General Fund for final settlement of general tax liability. Current year special voter road tax collections are retained in the General Fund checking account. Accumulated State liquor control funds are retained in General Fund checking. These monies are due the respective funds to be used for the required purpose.

Interfund Transfers

<u>Transfers In</u>	<u>Transfers (Out)</u>		<u>Total</u>
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	
Road Special Millage Fund	\$ 22,116	\$ 0	\$ 22,116
Fire Special Millage Fund	80,415	0	80,415
Total	<u>\$ 102,531</u>	<u>\$ 0</u>	<u>\$ 102,531</u>

Current year road projects were funded by prior year tax collections, metro act right of way funds and support from the General Fund. The current year fire expenditures were funded by the special fire millage collected and the support by the General Fund for the annual contribution to the Hartford Fire District.

NOTE 9 - JOINT FIRE DEPARTMENT AGREEMENT

Hartford Township and the City of Hartford have entered into a joint fire department agreement. The Fire Board is a joint venture and is governed by a 5 member board. The Fire Board's operating expenses are split so that the Township supports 60% of its operating budget. Capital assets are split 50/50 with the City and reported on the respective financial statements.

The most recent audit of the Hartford Fire Board was completed as of June 30, 2007. The following information is included in this report:

Cash and cash equivalents:	\$481,374	Total revenues:	\$170,240
Short term liabilities:	25,726	Total expenditures:	313,661
Total Net Assets:	455,648	Decrease in Net Assets:	(143,421)

Ladder fire truck purchase was started in this fiscal year. Air vac system and general fire equipment purchases accounted for this impact on their financial statements. The truck project would be complete in the next fiscal year.

REQUIRED SUPPLEMENTAL INFORMATION

**TOWNSHIP OF HARTFORD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008**

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	\$ 720,052	\$ 720,052	\$ 720,052	\$ 0
Resources (Inflows)				
Property taxes	87,712	87,712	85,857	(1,855)
State aid	243,143	243,143	243,277	134
Licenses and permits	0	0	0	0
Contributions from local governments	2,618	2,618	2,749	131
Charges for services	14,800	14,800	18,670	3,870
Interest and rentals	25,132	25,132	27,596	2,464
Miscellaneous revenues	1,782	1,782	642	1,140
Transfers from other funds	0	0	0	0
Amounts Available for Appropriation	1,095,239	1,095,239	1,098,843	3,604
Charges to Appropriations (Outflows)				
General Government				
Township board	49,800	49,021	28,634	20,387
Supervisor	12,700	12,700	12,562	138
Finance	4,280	4,280	2,808	1,472
Treasurer	18,303	18,476	18,202	274
Assessing	15,025	15,631	17,265	(1,634)
Clerk	14,147	14,147	13,612	535
Elections	4,755	4,755	1,512	3,243
Other General Government				
Building and grounds	10,100	10,050	6,255	3,795
Attorney	2,500	2,500	1,134	1,366
Cemetery	63,768	63,768	55,371	8,397
Public Safety				
Fire	0	0	0	0
Building inspections			0	0
Public Works				
Roads/Drains	0	0	937	(937)
Transfer station	1,000	1,000	110	890
Health and welfare	0	0	0	0
Community/Economic development	28,778	28,828	18,727	10,101
Capital outlay	47,500	47,500	36,198	11,302
Transfers to other funds	102,531	102,531	102,531	0
Total Charges to Appropriations	375,187	375,187	315,858	59,329
Budgetary Fund Balance-March 31	\$ 720,052	\$ 720,052	\$ 782,985	\$ 62,933

**TOWNSHIP OF HARTFORD
BUDGETARY COMPARISON SCHEDULE
MAJOR ROAD FUND
YEAR ENDED MARCH 31, 2008**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Beginning of Year Fund Balance	\$ 95,541	\$ 95,541	\$ 95,541	\$ 0
Resources (Inflows)				
Property taxes	108,261	108,261	96,547	(11,714)
State aid	4,000	4,000	3,896	(104)
Other revenue	800	800	709	(91)
Transfers in	22,116	22,116	22,116	0
Amounts Available for Appropriation	<u>230,718</u>	<u>230,718</u>	<u>218,809</u>	<u>(11,909)</u>
Charges to Appropriation (Outflows)				
Public Works				
Roads	<u>135,177</u>	<u>135,177</u>	<u>118,933</u>	<u>16,244</u>
Total Charges to Appropriations	<u>135,177</u>	<u>135,177</u>	<u>118,933</u>	<u>16,244</u>
Budgetary Fund Balance-March 31	<u><u>\$ 95,541</u></u>	<u><u>\$ 95,541</u></u>	<u><u>\$ 99,876</u></u>	<u><u>\$ 4,335</u></u>

**TOWNSHIP OF HARTFORD
BUDGETARY COMPARISON SCHEDULE
MAJOR FIRE FUND
YEAR ENDED MARCH 31, 2008**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Beginning of Year Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Resources (Inflows)				
Property taxes	47,582	47,582	47,582	0
State aid	0	0	0	0
Other revenue	0	0	0	0
Transfers in	80,415	80,415	80,415	0
Amounts Available for Appropriation	127,997	127,997	127,997	0
Charges to Appropriation (Outflows)				
Public Safety				
Fire	127,997	127,997	127,997	0
Total Charges to Appropriations	127,997	127,997	127,997	0
Budgetary Fund Balance-March 31	\$ 0	\$ 0	\$ 0	\$ 0

ADDITIONAL INFORMATION

TOWNSHIP OF HARTFORD
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	Special Revenue Funds				Total Non-Major Governmental Funds
	Cemetery Trust	Perpetual Care	Liquor Control	Building Inspection	
Assets					
Cash and cash equivalents	\$ 24,809	\$ 4,612	\$ 0	\$ 0	\$ 29,421
Investments	0	0	0	0	0
Receivables - net	0	0	0	0	0
Due from other funds	0	0	14,008	0	14,008
Total Assets	\$ 24,809	\$ 4,612	\$ 14,008	\$ 0	\$ 43,429
Liabilities and Fund Equity					
Liabilities					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to other funds	0	0	0	0	0
Total Liabilities	0	0	0	0	0
Fund Balance					
Reserved	24,809	4,612	14,008	0	43,429
Unreserved	0	0	0	0	0
Total Fund Equity	24,809	4,612	14,008	0	43,429
Total Liabilities and Fund Equity	\$ 24,809	\$ 4,612	\$ 14,008	\$ 0	\$ 43,429

TOWNSHIP OF HARTFORD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	Cemetery Trust	Perpetual Care	Liquor Control	Building Inspection	Total Non-Major Governmental Funds
Revenues					
Taxes and penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and permits	0	0	1,054	9,643	10,697
Charges for services	0	0	0	0	0
Interest	0	355	0	0	355
Total Revenues	0	355	1,054	9,643	11,051
Expenditures					
Current					
Public safety	0	0	847	9,643	10,489
Health and welfare	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total Expenditures	0	0	847	9,643	10,489
Excess of Revenues Over (Under)	0	355	208	0	563
Other Financing Sources (Uses)					
Operating transfers in	0	0	0	0	0
Operating transfers (out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Excess of Revenue and Other Sources (Under) Expenditures and Other	0	355	208	0	563
Fund Balance-April 1, 2007	24,809	4,257	13,800	0	42,866
Fund Balance-March 31, 2008	\$ 24,809	\$ 4,612	\$ 14,008	\$ 0	\$ 43,429

ANGLE & STEFFES, P.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

September 18, 2008

Township of Hartford
Township Board Members
Van Buren County, MI

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Hartford, Van Buren County, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 18, 2008. We conducted our audit on accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Hartford's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Hartford, Van Buren County, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Hartford, Van Buren County, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We note certain matters for management's attention and improvement, those control deficiencies that are not considered significant deficiencies or material weaknesses involving internal control:

Uninsured Funds

The FDIC's regulations govern the insurance coverage of public units' accounts. The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the same bank within the State are added together and insured up to \$100,000. Separately, all demand deposits owned by the public unit and held by the same bank within the State are added together and insured up to an additional \$100,000. The Township maintains demand and savings deposits in multiple banks totalling \$856,188 as of March 31, 2008. Of these funds, \$726,767 is uninsured by the FDIC. The Township primarily utilizes two banks, however, and we recommend that additional Michigan banks be utilized to cover Township funds in FDIC insured accounts, spreading funds in demand and savings accounts as appropriate.

Budgetary Oversight

We noted budget variances in the General Fund activity. The following accounts exceeded budget provisions:

General Fund:

General Government:	Budget	Actual
Assessing	\$15,631	\$17,265
Roads/Drains	\$ 0	\$ 937


We recommend close review of the budget, quarterly review and reporting, to maintain control over expenditures. Regular discussion is noted in the board minutes.

Tax Fund Account

The balance in a deposit account formerly used for tax collection fund activity is dwindling due to bank service charges in excess of interest earned. This account should be analyzed for its current purpose. Closing this account to the General Fund is recommended.

This report is intended solely for the information and use of management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,


Angle & Steffes, P.C.
Certified Public Accountants
Allegan, Michigan